

HIGH MONEY HOLDS BACK SPECULATION

COMPARING
VALUES
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Sharp Rise in Call Loans Is an
Incident of the July Dividend Period.

MARKET PROFESSIONAL

Financial and Business Worlds
Have an Exceptionally
Bright Outlook.

BY WILLIAM JUSTUS BOIES.

The stock market paused last week to take notice of the extraordinary developments in the money situation, trading on Wednesday declining below the million share level for the first full day since early April, and the movement losing much of its enthusiasm. It was largely a trader's market, in which the familiar tactics of spectacular advances in one or more highly speculative shares failed to excite much popular response. That hesitation was due directly to further advances in call loan rates to 15 per cent, and banks' disinclination to enlarge loans on speculative collateral during the week in which the heaviest payments on the July dividend account were being financed. That uncertainty did not lead to heavy selling, and the seasoned shares ruled for the most part firm with noteworthy strength in some quarters. But the market lacked the snap of previous weeks and there was little of the enthusiastic support apparent throughout the earlier campaign.

Changed Conditions.

That change of tone was due chiefly to growing money market tension, nervousness because of delay in signing the peace treaty and uncertainty as to just what would be the effect on our industries of the huge reconstruction outlays. That outward gold movement with its heavy shipments to South America, Japan, China and Spain was assuming sufficiently large proportions to give rise to the prediction in London banking circles that the period of easy money in America had passed. That suggestion was due in part, no doubt, to appreciation by foreign financiers of the immense task confronting us in financing the expansion of our foreign trade at a time when the rest of the world was clamoring for pretty much everything produced or manufactured in the United States. The London banking community is much more familiar with the details of such foreign trade undertakings than we are, and it is not surprising that inception of an outward gold movement from this country just at the moment when our bankers were organizing a powerful syndicate to extend immense credits to European purchasers of American merchandise should suggest to foreign financial experts the demand for credit accommodation here.

This does not mean that there will not be plenty of funds for legitimate borrowers or that our banks will be forced to curtail advances to trade channels. But it emphasizes responsibilities of a nation called on to restore Europe's industrial organization to normal production basis. The world's dollar business at an abnormally high price level, which means that the amount of the daily turnover is very much greater than that required before the war began. This country has the task of financing the movement of the most valuable crops ever raised. That demand is here and will be met, but few sections of the cities adjoining the sections of highest activity will be called on to finance the heaviest payroll requirements that the wheat and corn belts ever developed. The railroads are rushing east to the West to provide for the seaboard shipment of wheat and to expand their services to foreign markets. The wheat movement this year will bring wealth to the largest number of individual producers who ever shared in such an operation. This is because the ten acre farmer, protected by the Government's price guarantee, had just as sure a market for his wheat as did the great marketing companies operating 5,000 acre tracts.

This has strengthened the position of the hundreds of small trading centers in which merchants thrive in years of bountiful harvests and are apt to find poor pickings in seasons of reduced acreage and crop failures. In the effort to provide for the great burdens they ever did, those country merchants are making record purchases from Western and Southwestern jobbers. That demand is interesting and shows that the country merchant is fast recovering from his fear that a precipitate drop in prices will find him sheltered with high cost merchandise. This new activity in the farming sections means larger trading for the distributing centers, which in turn rely on the banks of the central reserve cities for accommodation needed in a period of broad business expansion. It is the development of just such a nationwide borderland distribution system which will bring about the great changes in foreign trade syndicates is putting through a delicate operation in American finance that the Federal Reserve Board has in mind when it seeks to trace the uses made of funds derived from rediscountr operations with the Federal reserve banks.

The Future.

Any discussion of money market tendencies must reckon also with the burdens of financing two more \$1,100,000,000 payments for income taxes and five additional Victory note installments. The bank position is strong and the Federal reserve system is well fortified to meet its share of the burden. But in the present situation, with the foreign trade syndicates putting through a delicate operation in American finance that the Federal Reserve Board has in mind when it seeks to trace the uses made of funds derived from rediscountr operations with the Federal reserve banks.

The Future.

Some of whom are accustomed to anticipate the receipt of their dividend checks as soon as the investments completed by the midyear disbursements shall be made.

The bond market is displaying a good deal of firmness, with noteworthy strength in the tax exempt issues and fair buying of other securities of the safe investment class. Most of the foreign bonds offered here have been well taken, and the probability is that these annotations will continue, provided that the bankers of the foreign trade credit syndicates are willing that the issuing banking houses should make further arrangements of their debt to American investors.

We are entering upon an important foreign financing, which is likely to reach record proportions before the demand shall be satisfied. During the next half year some \$300,000,000 of foreign loans placed here during the war period will mature. Some of them will be paid off, but others will be refunded and the amount

TOTAL TRANSACTIONS IN THE NEW YORK STOCK EXCHANGE.

Week Ended June 28, 1919.

Sales for week.
1918. 1918. 1917. January 1 to date.
6,073,508 3,065,591 4,323,800 1919. 1918. 1917.
189,180,833 72,415,297 95,445,695

Range, 1918.	Div.	Inv.	In.	Sales	Open	High	Low	Last	Net Change	Range, 1918.	Div.	Inv.	Last	Net Change				
64	29%	-	1,800	Adams Express.	50 1/2	57 1/2	57	57	+ 1/2	55 1/2	54 1/2	54 1/2	- 1/2	- 1/2				
46	21	-	8,000	Advance Rumely.	45 1/2	45 1/2	44	- 1/2	- 1/2	129 1/2	68	4	14,000	Kelly Springfield Tire.	125 1/2	127 1/2	120 1/2	126
58	58%	6	2,200	Advance Rumely pf.	74	73	73	73	+ 1/2	100	Kelsey Wheel Co.	55	55	55	- 1/2			
95	66	6	3,800	Ajax Rubber.	91 1/2	91 1/2	91 1/2	91 1/2	+ 1/2	2,840	Kennecott Copper.	39 1/2	41 1/2	38 1/2	+ 1/2			
23	34%	-	3,000	Alaska Gold M.	3 1/2	3	3	- 1/2	- 1/2	109	88 1/2	120	104,000	Keystone T & R ex div.	104 1/2	104 1/2	100	102
23	24%	-	3,000	Alaska Gold M.	2 1/2	2	-	- 1/2	- 1/2	88 1/2	62 1/2	6	6,800	Lackawanna Steel Co.	84 1/2	86 1/2	84 1/2	+ 1/2
45	20%	-	16,000	Allis Chalmers Mfg.	49 1/2	49 1/2	49 1/2	49 1/2	+ 1/2	25	16 1/2	16 1/2	16 1/2	+ 1/2	+ 1/2			
96	81%	7	11,000	Allis Chalmers Mfg pf.	95 1/2	96 1/2	96 1/2	96 1/2	+ 1/2	100	Lee Rubber & Tire.	33	34 1/2	32	+ 1/2	+ 1/2		
113 1/2	99%	8	6,100	Am Agric Chem pf.	110 1/2	108 1/2	108 1/2	108 1/2	+ 1/2	37 1/2	31	2,800	Lehigh Valley.	54	54	53 1/2	- 1/2	
102	98	6	2,000	Am Agric Chem pf ex div.	100	100	100	100	+ 1/2	60 1/2	53 1/2	54	1/2	1/2				
96	62	8	7,200	Am Beer Sugar.	88 1/2	88 1/2	88 1/2	88 1/2	+ 1/2	224	201	13	300	Liggett & Myers Tob.	215	215	215	- 1/2
105 1/2	84%	6	7,000	Am Bosch Magneto.	105	105	105	105	+ 1/2	114	107	7	300	Liggett & M Tob pf.	113 1/2	114	113 1/2	+ 1/2
107 1/2	98%	6	6,000	Am Can.	57 1/2	58 1/2	58 1/2	58 1/2	+ 1/2	78 1/2	40 1/2	1,200	Loews Wiles Biscuit.	78 1/2	78 1/2	74	+ 1/2	
112 1/2	94%	8	4,000	Am Car & Foundry.	104	104	104	104	+ 1/2	120	94	10	100	Loews Wiles Biscuit pf.	118	118	118	- 1/2
117 1/2	113	7	1,000	Am Car & Foundry pf.	112 1/2	107 1/2	107 1/2	107 1/2	+ 1/2	156	120	12	100	Lorillard P & T Tob.	185	185	185	- 1/2
64	39%	4	13,000	Am Cotton Oil.	117	117	117	117	+ 1/2	122	113	7	3,000	Louisville & Nashville.	117 1/2	119	117 1/2	+ 1/2
93	88	6	6,100	Am Cotton Oil pf.	91 1/2	91 1/2	91 1/2	91 1/2	+ 1/2	65	63	4	100	MacKay Co pf.	64	64	64	- 1/2
103	98	6	1,000	Am Drugist Syndicate.	100	100	100	100	+ 1/2	70	20	10	100	Lake Erie & Western pf.	87	87	87	- 1/2
88	13%	3	2,500	Am Hide & Leather.	85	85	85	85	+ 1/2	84 1/2	80 1/2	10	200	Manhattan Elevator.	87 1/2	87 1/2	87 1/2	- 1/2
76	14%	7	2,000	Am Hide & Leather pf.	127	124	124	124	+ 1/2	124	115	12	100	Marshall Motor.	49 1/2	49 1/2	49 1/2	- 1/2
109	103	7	4,000	Am Ind & Ref.	108	108	108	108	+ 1/2	120	94	10	100	Maxwell Motor 1st pf.	78 1/2	78 1/2	78 1/2	- 1/2
109	103	7	1,000	Am Ind & Ref pf.	104	104	104	104	+ 1/2	120	94	10	100	Maxwell Motor 2nd pf.	78 1/2	78 1/2	78 1/2	- 1/2
109	103	7	1,000	Am Ind & Ref pf.	104	104	104	104	+ 1/2	120	94	10	100	Maxwell Motor 3rd pf.	78 1/2	78 1/2	78 1/2	- 1/2
109	103	7	1,000	Am Ind & Ref pf.	104	104	104	104	+ 1/2	120	94	10	100	Maxwell Motor 4th pf.	78 1/2	78 1/2	78 1/2	- 1/2
109	103	7	1,000	Am Ind & Ref pf.	104	104	104	104	+ 1/2	120	94	10	100	Maxwell Motor 5th pf.	78 1/2	78 1/2	78 1/2	- 1/2
109	103	7	1,000	Am Ind & Ref pf.	104	104	104	104	+ 1/2	120	94	10	100	Maxwell Motor 6th pf.	78 1/2	78 1/2	78 1/2	- 1/2
109	103	7	1,000	Am Ind & Ref pf.	104	104	104	104	+ 1/2	120	94	10	100	Maxwell Motor 7th pf.	78 1/2	78 1/2	78 1/2	- 1/2
109	103	7	1,000	Am Ind & Ref pf.	104	104	104	104	+ 1/2	120	94	10	100	Maxwell Motor 8th pf.	78 1/2	78 1/2	78 1/2	- 1/2
109	103	7	1,000	Am Ind & Ref pf.	104	104	104	104	+ 1/2	120	94	10	100	Maxwell Motor 9th pf.	78 1/2	78 1/2	78 1/2	- 1/2
109	103	7	1,000	Am Ind & Ref pf.	104	104	104	104	+ 1/2	120	94	10	100	Maxwell Motor 10th pf.	78 1/2	78 1/2	78 1/2	- 1/2
109	103	7	1,000	Am Ind & Ref pf.	104	104	104	104	+ 1/2	120	94	10						